

JOB EVALUATION AND MERIT RATING

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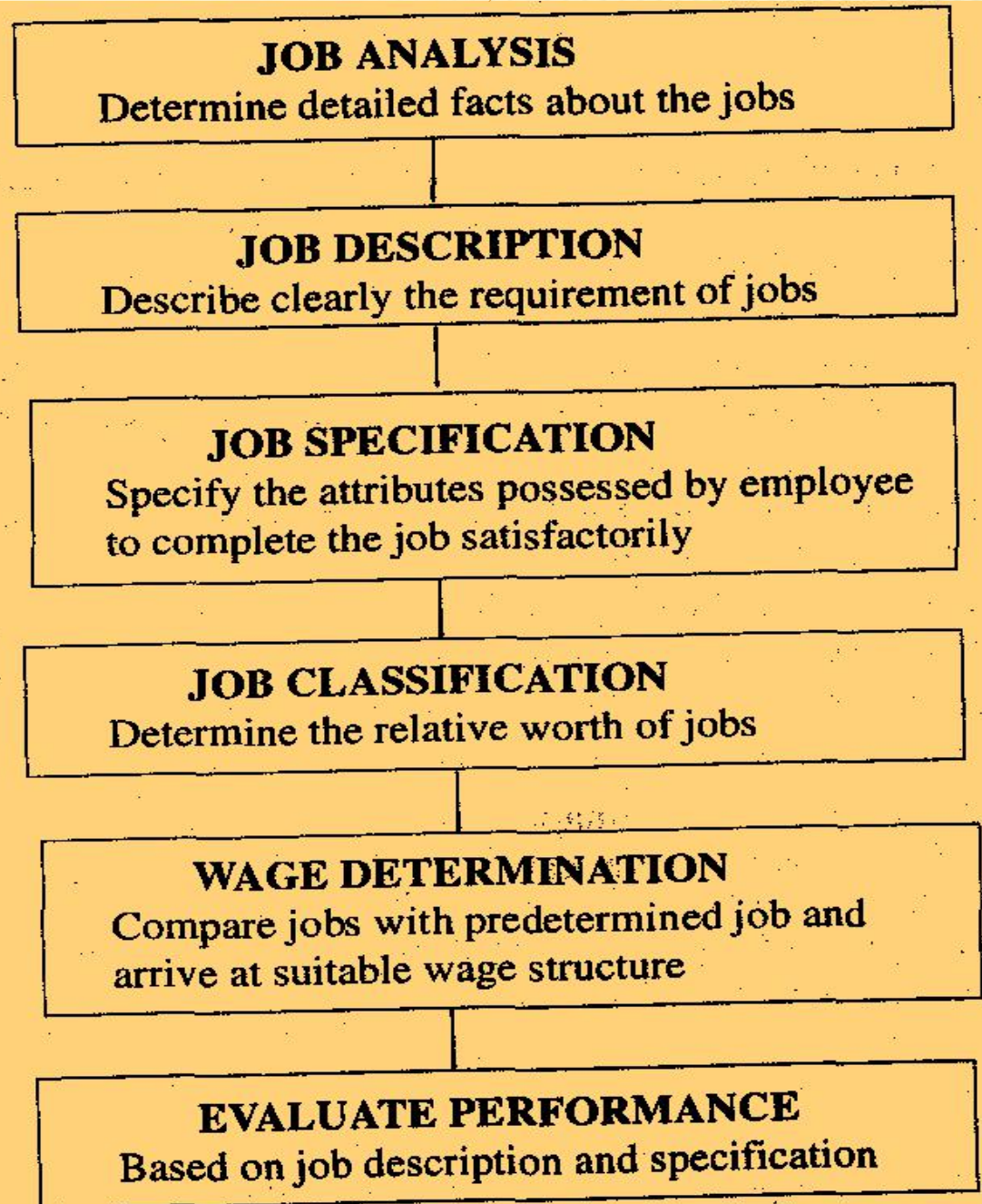
JOB EVALUATION

- | Job evaluation is a process to determine in a systematic manner and analytically the worth of each job in the organisation based upon the set of carefully selected factors such as skill, effort and responsibility demanded by the job and translating these worth of jobs into monetary terms (e.g., pay and wages).
- | It is a job rating method and not the job ranking method.
- | Job evaluation aims to provide a means of establishing a wage structure *acceptable to both workers and management.*

OBJECTIVES OF JOB EVALUATION

- | To establish a sound wage and salary system by determining the worth of each job in the factory in relation to various factors like skill required, effort and responsibility involved.
- | To eliminate the wage inequalities.
- | To establish a general wage level for a given factory,
- | To clearly define the line of authority and responsibility.
- | To formulate an appropriate and uniform wage structure.
- | To provide a sound base for recruitment, selection, promotion and transfer of employees.
- | To identify the training needs of the employees so as to prepare them for future positions.
- | A sound base for individual performance measurement.
- | To promote a good employee-employer relations.

PROCEDURE FOR JOB EVALUATION (STEPS INVOLVED)



JOB ANALYSIS

| Job analysis is the process of determining the facts relating to the jobs.

It involves a systematic examination of the job

to find out:

- Nature of tasks performed by the workers.

- Purpose or objectives of the tasks.

- Working conditions under which the tasks are carried out.

- Responsibility, skill required to perform the tasks.

- Relationship between various jobs done in the department/organisation.

JOB ANALYSIS

- | **Job analysis** programs are usually tailor made as the nature of the information to be collected will depend on the organisation and purpose for which it is undertaken.
- | The information gathered through job analysis is useful for:
 - Job evaluation.
 - Personnel and general management decisions, recruitment, selection, promotion, transfer of staff in the organisation.
 - Performance review and appraisal.
 - Manpower planning.
 - Design of training programs.

JOB ANALYSIS

STAGES IN JOB ANALYSIS

- | Stage I. Job identification.
- | Stage II. Job information collection.
- | Stage III. Qualification requirements.

JOB ANALYSIS,

Stage 1. Job Identification

- | Study and gather general information on the organisation with a view to locate each job in its overall context.

The information can be sought through:

Organisational chart.

Diagram of production process and functional relationship between jobs.

Other sources of information should be consulted to construct or update the organisational charts/process diagrams.

- | The list of jobs to be analysed must be identified.

During this some problems may arise like:

- | Job titles may not be an indicative of job content.
- | Need for judicious sampling of post to be analysed.
- | Same job title may cover two or more basically different posts.
- | Similar work may be done in posts with different job titles.

JOB ANALYSIS

Stage II. Information Collection

At this stage, a systematic collection of information on all jobs is carried out using a standard job analysis questionnaire.

The questions are ,carefully designed to uncover the essential characteristics of the job.

The questions such as:

Who does the work? What is the job title?

What are the essential tasks?

How are the tasks performed?

What are the equipment used?

What is the relationship between tasks of the job and tasks of other jobs?

What are job holders responsibilities towards his colleagues and towards the machines and equ-ipment?

Under what working conditions the task is performed? (hours of work, noise, temperature, lighting, etc.).

Methods of Information Collection

Questionnaire method—A carefully designed questionnaire is to be filled by the worker and his/her supervisor.

Interview with the worker and his supervisor.

Direct observations at the workplace.

JOB ANALYSIS

Stage III. Qualification Requirements for Satisfactory Performance of the Job

Knowledge.

Level of education.

Skills including experience.

Physical ability.

Mental ability.

Aptitude (initiative, tact, etc.).

The qualification requirements must consider only those which are essential to do the job.

JOB ANALYSIS DATA SHEET

JOB ANALYSIS DATA SHEET	
Job Title -----	Job code -----
Proposed Title -----	
Department -----	Reports to -----
Person Interviewed -----	
Date of Analysis -----	
1. Job summary	
2. Work performed (a) Regular duties (b) Occasional duties (c) Periodic duties	
3. Equipment (a) Machines (b) Tools	
4. Education	
5. Experience (type and amount)	
6. Responsibilities for (a) Product and materials (b) Equipment and machinery (c) Work of others	
7. Physical demands— (a) Physical effort (b) Mental effort (c) Monitory (d) Hazards	

JOB DESCRIPTION

- | Job description follows the job analysis. It gives all essential facts about the job like duties, responsibilities, working conditions and other required facts:
- | **Job description is composed of three parts:**
 - | Job identification containing the details like job title, department, section, job code, names of supervisor and other details to identify the job.
 - | Job summary gives the overall picture of the duties performed.
 - | Work performed gives the details of both regular as well as occasional tasks performed machines and tools used, working conditions and hazards.

JOB SPECIFICATION

- | Job specifications are prepared from the data collected during job analysis.
- | It is the statement of qualities and capabilities that an employee must possess to perform the job satisfactorily.
- | Job specification describe the extent to which each of the job factor such as education experience, physical effort, responsibility for others work, materials machines and equipment, etc., present in the job and the degree of difficulty present.
- | The job descriptions and job specifications both form the basic for job evaluation and so it is essential to make it sure that the facts are presented correctly.

JOB EVALUATION SYSTEMS

JOB EVALUATION SYSTEMS

The job evaluation system should be simple and readily understood by all the concerned. There are four accepted systems of job evaluation:

1. Ranking method.
2. Job classification system.
3. Factor comparison method.
4. Point rating system.

JOB EVALUATION SYSTEMS

1. Ranking System

- | In this system, jobs are ranked in terms of their importance (with respect to level of duties and responsibilities) from the lowest to the highest.
- | For ranking job is considered as a whole and it is not broken down into various elements or tasks. The rank is decided by the committee. This is the easiest and most simple method.

JOB EVALUATION SYSTEMS

| The major steps involved in-ranking system are:

Selection of the jobs.

Job analysis.

Choosing the committee for ranking jobs.

Ranking of the jobs.

Grouping the job into groups by the committee.

The advantage of this method lies in its simplicity, less time consuming and less paperwork .

The main limitations being the lack of standard criteria for ranking jobs and hence less e. Applicable where there are only

JOB EVALUATION SYSTEMS

2. Classification System

The job classification system is the process of allocating jobs to grades which are predefined. The grade differences are defined in terms of differences in the levels of duties, responsibilities and requirements of special skills.

The job evaluation by this method involves the following steps:

- Decide and describe number of grades.
- Write grade level descriptions
- Listing of jobs to be evaluated
- Assigning the jobs to grades based upon grade and job level description.

Major Advantages of classification system

- Method is easily understood by all and easy to use.
- The results are fairly accurate.

Limitation

- The system gets complicated as the number of jobs are increased and grade descriptions are relatively difficult to write.

JOB EVALUATION SYSTEMS

3. Factors Comparison Method

| It is a qualitative method of job evaluation.
This method involves the detailed analysis of the jobs which are then ranked in respect of predetermined jobs.

| Five factors are considered for evaluation of jobs are:

Mental effort.

Skill requirement.

Physical requirement.

Responsibility.

Working conditions.

JOB EVALUATION SYSTEMS

Steps involved in factor comparison method.

- | The key jobs are to be identified which can be accurately described. Key jobs are so chosen that they represent each major level of, duties, responsibilities and skill, etc., covering the entire range of jobs.
- | Key jobs are analysed for each of the five factors defined.
- | The salary paid for each key job is apportioned amongst the factors.
- | The wage paid for each key job is apportioned amongst the factors in proportion to their importance in the job. Thus a money rating scale for each of the factors is obtained.
- | Each of the jobs are evaluated for each of the factors on its money rating scale of key jobs. Monetary value of the job is obtained by adding up the individual money values for each one of the factors depending upon the importance of the job.

JOB EVALUATION SYSTEMS

Advantages

- | 1. Job-to-job comparison ensures that jobs are compared on a common comparable scale.
- | 2. Directly the money value of the job is obtained.
- | 3. It takes into account all the factors that constitute a job.
- | 4. This method is applicable even for large organisations.

Limitations

- | Selection of a wrongly paid job is likely to introduce error in the considerable way.
- | Lot of subjectivity is existing in constructing the rating scales for money value.
- | It is difficult to explain the rating scale to employees.

JOB EVALUATION SYSTEMS

4. Point Rating Method

- | This the most popular and quantitative method designed by Merill. R. Lott.
- | This method evaluates jobs based on the carefully selected factors such as education, experience, physical effort, responsibility for machines and materials which are common to majority of the jobs.
- | The major steps involved in point rating system are:
 - | **Decide the type of jobs to be evaluated:**
During this step, the jobs which are to be evaluated are listed and only jobs having different work contents are to be recorded.

JOB EVALUATION SYSTEMS

Select the factors:

| The following factors are generally used for evaluating jobs (with special reference to factory employees):

- Education
- Experience
- Judgment and initiative.
- Physical effort.
- Mental effort.
- Responsibility for equipment, materials

- Responsibility for process.
- Responsibility for the work of others.
- Working conditions.
- Hazards.
- Adaptability
- Creative. ability.
- Aptitude for learning
- Initiative

JOB EVALUATION SYSTEMS

The factors selected must be rateable. Only important factors are to be considered. There should not be any overlap of meaning of factors selected.

The factors should be as few as possible selected factors should be acceptable to both workers and management.

Definition of factors: There should not be confusion in meaning of the factor. Each factor should be defined such that everyone has the same interpretation. Simple language should be used and complicated words are to be avoided, e.g., Education. This factor is used in the context of academic or technical training necessary to acquire competence to understand the work being done and responsibilities associated with it. It does not include the practical trade knowledge acquired on the job.

Define the degrees for each factor: Each factor is to be divided into degrees. The degrees provide a rating scale for each factor.

JOB EVALUATION SYSTEMS

5. Assigning weightages to the factors: The weightages are assigned to each factor on a percentage basis depending upon the proportionate contribution of each factor to the job. Weightages are arrived by consensus at the joint committee of management and union.

6. Assigning points to the degrees: Once the weightages are decided, the next step is to assign points to the degrees. The most common method is to allow the percentage weightage of the factor to represent the point value of the first in each factor and let the remaining values of the degrees to follow an arithmetic progression, using the weightage of the factor itself as the difference between two degrees.

JOB EVALUATION SYSTEMS

- 7. Preparing the job evaluation manual:** In this manual, the job factors and their degree are defined. It thus serves as a mechanism for determining the relative values of the existing and proposed jobs.
- 8. Preparing job descriptions and job specifications.**
- 9. Rating of the job (determining the points).**
- 10. Placing jobs into grades:** Once the jobs have been rated in terms of points, they are placed into grades.

Advantages

More accurate and reliable compared to other methods.
More objectivity due to quantification of factors.
It is logical and practicable.
Good acceptability.

Limitations

Requires a large experience and expertise to define degrees and points.
Points allocated to degree are arbitrary.

JOB ANALYSIS DATA SHEET

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 Person Interviewed -----
 Date of Analysis -----

1. Job summary

2. Work performed

- (a) Regular duties
- (b) Occasional duties
- (c) Periodic duties

3. Equipment

- (a) Machines
- (b) Tools

4. Education

5. Experience (type and amount)

6. Responsibilities for

- (a) Product and materials
- (b) Equipment and machinery
- (c) Work of others

7. Physical demands—

- (a) Physical effort
- (b) Mental effort
- (c) Monitory
- (d) Hazards

JOB DESCRIPTION SHEET

JOB DESCRIPTION

Job Title -----

Job Code No. -----

Department -----

Section -----

1. JOB SUMMARY

2. RESPONSIBLE FOR

3. EQUIPMENT AND MACHINE USED

4. WORKING CONDITIONS AND HAZARDS

JOB SPECIFICATION SHEET

JOB SPECIFICATION		
Job Title (present) -----	Job Code No. -----	
Job Title (proposed) -----	Deptt./section -----	
FACTOR	DESCRIPTION	DEGREE/POINTS
1. Education and knowledge		
2. Experience		
3. Responsibility for machinery and equipment		
4. Responsibility for work of others		
5. Responsibility for safety of others		
6. Physical effort		
7. Mental effort		
8. Responsibility for products and materials		
9. Working conditions and hazards		

JOB DESCRIPTION SHEET

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JOB DESCRIPTION

Job Title (Existing) : Turner
Deptt./section : Tool Room
Job Code : 04 - B
Employee Interviewed
Date : 7-5-1997

Job Summary

Operates the centre lathe machine

A. Regular duties

1. Preparation and setting of the machine (tools and work holding devices).
2. Selection of cutting parameters, *i.e.*, speed, feed depth of cut using charts.
3. From the drawings decides the sequence of operations.
4. Carries out all the operations on the job (turning, facing, taper turning, knurling, etc., as required).
5. Checks dimension of finished parts using micrometers, verniers, dial gauges slip gauges, etc.).
6. Grinds and prepares cutting and form tools.

B. Casual Tasks

- (a) Occasionally does maintenance/small repairs of the m/c.
- (b) Occasionally does assembly work.
- (c) Works on other machines if instructed.

C. Equipment and Machine used

Precision Centre Lathe.

D. Working Conditions

Works within the tool room. Chances of injuries to limbs while loading and unloading of jigs/fixtures, work holding devices, chips may enter the eyes or burrs.

MERIT RATING:

Objectives of Merit Rating:

- | People differ in abilities and aptitudes. Management should know these differences so that employees are assigned jobs according to their capability.

Main objectives of merit rating are as follows:

- | 1. To assess the work of employees in relation to their job requirements.
- | 2. To consider employees/workers for promotions, transfer, layoffs etc.
- | 3. To assess the good and bad points in working of employees and then making suggestions for improvement.
- | 4. To help in wage and salary administrations and taking decisions about incentives and increments to be given to the workers.

- | 5. To evaluate skill and training capabilities of employees and helping in planning suitable training and development programmes for workers.
- | 6. To know the problems faced by workers while doing various jobs.
- | 7. To provide a basis for comparison to segregate efficient and inefficient workers.
- | 8. To help management in placement/transfer to workers according to their capacity, interest, aptitude and qualifications.
- | 9. To help supervisors to know their subordinates more closely for increasing their efficiency and improving productivity.

MERIT RATING

Job evaluation evaluates the job and the merit rating assess the worth of a person performing the job.

Merit rating is also called the performance appraisal. It evaluates, controls and reviews the performance. Both job evaluation and performance appraisal are aimed at systematically determining the wage rates paid to the employees.

Benefits of Merit Rating

- Useful in rewarding the person and the reward can be linked to the performance.
- Helps to identify the person's potential to perform the assigned jobs and to decide the future positions he can take up.
- To identify the training needs of the employees.
- Helps in counselling employees regarding their strengths and weaknesses.
- It motivates employees to perform better.
- Acts as a constructive performance appraisal system.

MERIT RATING

Requirements of a sound performance appraisal system:

- | The merit rating system should be transparent in the sense that it should be known to everyone.
- | The criteria should be fixed and known to the rater as well as to the ratee.
- | There should not be any bias or ambiguity.
- | The rating should be done at the prefixed intervals.
- | It should be related to the job related behavior only.
- | It should act as a *basic* for sound reward system.

METHODS OF MERIT RATING

Ranking method:

This is the conventional and easy method. Normally the employees are ranked in the order from best to worst. This is applicable to industries where number of people are few.

The limitation of this method is that it cannot indicate specific strengths and weaknesses. Ranking becomes difficult as the number of employees increase.

METHODS OF MERIT RATING

Paired comparison method:

In this method, the rater compares each employee in a group with all the remaining employees.

The performance is the only parameter for comparison. This also becomes difficult to compare if the group is large.

Forced choice method: In this method, for each trait or behaviour number of statements' are given and the rater is required to select only one statement which describes the particular behaviour of the employee being evaluated.

This method is called forced choice because the rater is forced to check only one statement and is not allowed to describe behaviour in his own words. This is most popular method used for rating of lower cadre staff.

METHODS OF MERIT RATING

Check list method: These are the lists made up of series of questions or statements which are concerned about the important aspects of employees performance on the job. The process of rating simply consists of checking those questions concerned to ratee and answering the question in 'YES' or 'NO'. It is easy to compare the employees by this method.

Scale plan: This is widely accepted method in industries. The scale is constructed to define the various degrees of the traits.

There are two types of scale plans:

- | **Continious scale:** Here the scale is constructed to represent the highest to lowest degree of required trait:

- | (a) Numerical scale, (b) Description scales.

- | **Discontinuous scales:** This is the scale which gives elaborate description of facts needed for rating.

QUESTION BANK

- Q 1. What is job evaluation? What are its objectives?
- Q 2. How does job analysis differ from job description?
- Q 3. Describe various methods of job evaluation giving their advantages and limitations.
- Q 4. Explain the steps involved in point rating method of job evaluation.
- Q 5. What is merit rating and how it helps the industries?
- Q 6. Write short notes on:
 - a) **Importance of job evaluation and merit rating,**
 - b) **Job analysis, job description and job specification,**
 - c) **Merit rating methods**